

37 C.F.R. §§ 1.27 and 1.28

such charge, and include a copy of that deposit account statement. The time periods set forth in this paragraph are not extendable.

(c) If the Director decides not to institute a reexamination proceeding, for *ex parte* reexaminations filed under § 1.510, a refund of \$1,690 will be made to the reexamination requester. For *inter partes* reexaminations filed under § 1.913, a refund of \$7,970 will be made to the reexamination requester. The reexamination requester should indicate the form in which any refund should be made (*e.g.*, by check, electronic funds transfer, credit to a deposit account, etc.). Generally, reexamination refunds will be issued in the form that the original payment was provided.

[47 FR 41274, Sept. 17, 1982, effective Oct. 1, 1982; 50 FR 31826 Aug. 6, 1985, effective Oct. 5, 1985; para. (c), 54 FR 6893, Feb. 15, 1989, effective Apr. 17, 1989; para. (c), 56 FR 65142, Dec. 13, 1991, effective Dec. 16, 1991; paras. (a) and (c), 57 FR 38190, Aug. 21, 1992, effective Oct. 1, 1992; para. (a) revised, 62 FR 53131, Oct. 10, 1997, effective Dec. 1, 1997; para. (a) revised and para. (b) added, 65 FR 54604, Sept. 8, 2000, effective Nov. 7, 2000; para. (c) revised, 65 FR 76756, Dec. 7, 2000, effective Feb. 5, 2001; paras. (a) & (c) revised, 68 FR 14332, Mar. 25, 2003, effective May 1, 2003; para. (a) revised, 68 FR 48286, Aug. 13, 2003, effective Sept. 12, 2003]

**§ 1.27 Definition of small entities and establishing status as a small entity to permit payment of small entity fees; when a determination of entitlement to small entity status and notification of loss of entitlement to small entity status are required; fraud on the Office.**

(a) *Definition of small entities.* A small entity as used in this chapter means any party (person, small business concern, or nonprofit organization) under paragraphs (a)(1) through (a)(3) of this section.

(1) *Person.* A person, as used in paragraph (c) of this section, means any inventor or other individual (*e.g.*, an individual to whom an inventor has transferred some rights in the invention) who has not assigned, granted, conveyed, or licensed, and is under no obligation under contract or law to assign, grant, convey, or license, any rights in the invention. An inventor or other individual who has transferred some rights in the invention to one or more parties, or is under an obligation to transfer some rights in the

invention to one or more parties, can also qualify for small entity status if all the parties who have had rights in the invention transferred to them also qualify for small entity status either as a person, small business concern, or nonprofit organization under this section.

(2) *Small business concern.* A small business concern, as used in paragraph (c) of this section, means any business concern that:

(i) Has not assigned, granted, conveyed, or licensed, and is under no obligation under contract or law to assign, grant, convey, or license, any rights in the invention to any person, concern, or organization which would not qualify for small entity status as a person, small business concern, or nonprofit organization; and

(ii) Meets the size standards set forth in 13 CFR 121.801 through 121.805 to be eligible for reduced patent fees. Questions related to standards for a small business concern may be directed to: Small Business Administration, Size Standards Staff, 409 Third Street, SW., Washington, DC 20416.

(3) *Nonprofit Organization.* A nonprofit organization, as used in paragraph (c) of this section, means any nonprofit organization that:

(i) Has not assigned, granted, conveyed, or licensed, and is under no obligation under contract or law to assign, grant, convey, or license, any rights in the invention to any person, concern, or organization which would not qualify as a person, small business concern, or a nonprofit organization; and

(ii) Is either:

(A) A university or other institution of higher education located in any country;

(B) An organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a));

(C) Any nonprofit scientific or educational organization qualified under a nonprofit organization statute of a state of this country (35 U.S.C. 201(i)); or

(D) Any nonprofit organization located in a foreign country which would qualify as a nonprofit organization under paragraphs (a)(3)(ii)(B) of this section or (a)(3)(ii)(C) of this section if it were located in this country.

(4) *License to a Federal agency.* (i) For persons under paragraph (a)(1) of this section, a license to the Government resulting from a rights determination under Executive Order 10096 does not constitute a license so as to prohibit claiming small entity status.

(ii) For small business concerns and non-profit organizations under paragraphs (a)(2) and (a)(3) of this section, a license to a Federal agency resulting from a funding agreement with that agency pursuant to 35 U.S.C. 202 (c)(4) does not constitute a license for the purposes of paragraphs (a)(2)(i) and (a)(3)(i) of this section.

(5) *Security Interest.* A security interest does not involve an obligation to transfer rights in the invention for the purposes of paragraphs (a)(1) through (a)(3) of this section unless the security interest is defaulted upon.

(b) *Establishment of small entity status permits payment of reduced fees.*

(1) A small entity, as defined in paragraph (a) of this section, who has properly asserted entitlement to small entity status pursuant to paragraph (c) of this section will be accorded small entity status by the Office in the particular application or patent in which entitlement to small entity status was asserted. Establishment of small entity status allows the payment of certain reduced patent fees pursuant to 35 U.S.C. 41(h)(1).

(2) Submission of an original utility application in compliance with the Office electronic filing system by an applicant who has properly asserted entitlement to small entity status pursuant to paragraph (c) of this section in that application allows the payment of a reduced filing fee pursuant to 35 U.S.C. 41(h)(3).

(c) *Assertion of small entity status.* Any party (person, small business concern or nonprofit organization) should make a determination, pursuant to paragraph (f) of this section, of entitlement to be accorded small entity status based on the definitions set forth in paragraph (a) of this section, and must, in order to establish small entity status for the purpose of paying small entity fees, actually make an assertion of entitlement to small entity status, in the manner set forth in paragraphs (c)(1) or (c)(3) of this section, in the application or patent in which such small entity fees are to be paid.

(1) *Assertion by writing.* Small entity status may be established by a written assertion of entitlement to small entity status. A written assertion must:

(i) Be clearly identifiable;

(ii) Be signed (see paragraph (c)(2) of this section); and

(iii) Convey the concept of entitlement to small entity status, such as by stating that applicant is a small entity, or that small entity status is entitled to be asserted for the application or patent. While no specific words or wording are required to assert small entity status, the intent to assert small entity status must be clearly indicated in order to comply with the assertion requirement.

(2) *Parties who can sign and file the written assertion.* The written assertion can be signed by:

(i) One of the parties identified in § 1.33(b) (e.g., an attorney or agent registered with the Office), § 3.73(b) of this chapter notwithstanding, who can also file the written assertion;

(ii) At least one of the individuals identified as an inventor (even though a § 1.63 executed oath or declaration has not been submitted), notwithstanding § 1.33(b)(4), who can also file the written assertion pursuant to the exception under § 1.33(b) of this part; or

(iii) An assignee of an undivided part interest, notwithstanding §§ 1.33(b)(3) and 3.73(b) of this chapter, but the partial assignee cannot file the assertion without resort to a party identified under § 1.33(b) of this part.

(3) *Assertion by payment of the small entity basic filing or basic national fee.* The payment, by any party, of the exact amount of one of the small entity basic filing fees set forth in §§ 1.16(a), 1.16(b), 1.16(c), 1.16(d), 1.16(e), or the small entity basic national fee set forth in § 1.492(a), will be treated as a written assertion of entitlement to small entity status even if the type of basic filing or basic national fee is inadvertently selected in error.

(i) If the Office accords small entity status based on payment of a small entity basic filing or basic national fee under paragraph (c)(3) of this section that is not applicable to that application, any balance of the small entity fee that is applicable to that application will be due along with the appropriate surcharge set forth in § 1.16(f), or § 1.16(g).

(ii) The payment of any small entity fee other than those set forth in paragraph (c)(3) of this section (whether in the exact fee amount or not) will not be treated as a written assertion of entitlement to small entity status and will not be sufficient to establish small entity status in an application or a patent.

(4) *Assertion required in related, continuing, and reissue applications.* Status as a small entity must be specifically established by an assertion in each related, continuing and reissue application in which status is appropriate and desired. Status as a small entity in one application or patent does not affect the status of any other application or patent, regardless of the relationship of the applications or patents. The refiling of an application under § 1.53 as a continuation, divisional, or continuation-in-part application (including a continued prosecution application under § 1.53(d)), or the filing of a reissue application, requires a new assertion as to continued entitlement to small entity status for the continuing or reissue application.

(d) *When small entity fees can be paid.* Any fee, other than the small entity basic filing fees and the small entity national fees of paragraph (c)(3) of this section, can be paid in the small entity amount only if it is submitted with, or subsequent to, the submission of a written assertion of entitlement to small entity status, except when refunds are permitted by § 1.28(a).

(e) *Only one assertion required.*

(1) An assertion of small entity status need only be filed once in an application or patent. Small entity status, once established, remains in effect until changed pursuant to paragraph (g)(1) of this section. Where an assignment of rights or an obligation to assign rights to other parties who are small entities occurs subsequent to an assertion of small entity status, a second assertion is not required.

(2) Once small entity status is withdrawn pursuant to paragraph (g)(2) of this section, a new written assertion is required to again obtain small entity status.

(f) *Assertion requires a determination of entitlement to pay small entity fees.* Prior to submitting an assertion of entitlement to small entity status in an application, including a related, continuing, or reissue

application, a determination of such entitlement should be made pursuant to the requirements of paragraph (a) of this section. It should be determined that all parties holding rights in the invention qualify for small entity status. The Office will generally not question any assertion of small entity status that is made in accordance with the requirements of this section, but note paragraph (h) of this section.

(g)(1) *New determination of entitlement to small entity status is needed when issue and maintenance fees are due.* Once status as a small entity has been established in an application or patent, fees as a small entity may thereafter be paid in that application or patent without regard to a change in status until the issue fee is due or any maintenance fee is due.

(2) *Notification of loss of entitlement to small entity status is required when issue and maintenance fees are due.* Notification of a loss of entitlement to small entity status must be filed in the application or patent prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity as defined in paragraph (a) of this section is no longer appropriate. The notification that small entity status is no longer appropriate must be signed by a party identified in § 1.33(b). Payment of a fee in other than the small entity amount is not sufficient notification that small entity status is no longer appropriate.

(h) *Fraud attempted or practiced on the Office.*

(1) Any attempt to fraudulently establish status as a small entity, or pay fees as a small entity, shall be considered as a fraud practiced or attempted on the Office.

(2) Improperly, and with intent to deceive, establishing status as a small entity, or paying fees as a small entity, shall be considered as a fraud practiced or attempted on the Office.

[47 FR 40139, Sept. 10, 1982, added effective Oct. 1, 1982; para. (c) added, 47 FR 43276, Sept. 30, 1982; paras. (b), (c), and (d), 49 FR 553, Jan. 4, 1984, effective Apr. 1, 1984; revised, 62 FR 53131, Oct. 10, 1997, effective Dec. 1, 1997; revised, 65 FR 54604, Sept. 8, 2000, effective Sept. 8, 2000; para. (a) revised, 69 FR 56481, Sept. 21, 2004, effective Sept. 21, 2004; paras. (b) and (c)(3) revised, 70 FR 3880, Jan. 27, 2005, effective Dec. 8, 2004]

**§ 1.28 Refunds when small entity status is later established; how errors in small entity status are excused.**

(a) *Refunds based on later establishment of small entity status.* A refund pursuant to § 1.26, based on establishment of small entity status, of a portion of fees timely paid in full prior to establishing status as a small entity may only be obtained if an assertion under § 1.27(c) and a request for a refund of the excess amount are filed within three months of the date of the timely payment of the full fee. The three-month time period is not extendable under § 1.136. Status as a small entity is waived for any fee by the failure to establish the status prior to paying, at the time of paying, or within three months of the date of payment of, the full fee.

(b) *Date of payment.*

(1) The three-month period for requesting a refund, pursuant to paragraph (a) of this section, starts on the date that a full fee has been paid;

(2) The date when a deficiency payment is paid in full determines the amount of deficiency that is due, pursuant to paragraph (c) of this section.

(c) *How errors in small entity status are excused.* If status as a small entity is established in good faith, and fees as a small entity are paid in good faith, in any application or patent, and it is later discovered that such status as a small entity was established in error, or that through error the Office was not notified of a loss of entitlement to small entity status as required by § 1.27(g)(2), the error will be excused upon: compliance with the separate submission and itemization requirements of paragraphs (c)(1) and (c)(2) of this section, and the deficiency payment requirement of paragraph (c)(2) of this section:

(1) *Separate submission required for each application or patent.* Any paper submitted under this paragraph must be limited to the deficiency payment (all fees paid in error), required by paragraph (c)(2) of this section, for one application or one patent. Where more than one application or patent is involved, separate submissions of deficiency payments (e.g., checks) and itemizations are required for each application or patent. See § 1.4(b).

(2) *Payment of deficiency owed.* The deficiency owed, resulting from the previous erroneous payment of small entity fees, must be paid.

(i) *Calculation of the deficiency owed.*

The deficiency owed for each previous fee erroneously paid as a small entity is the difference between the current fee amount (for other than a small entity) on the date the deficiency is paid in full and the amount of the previous erroneous (small entity) fee payment. The total deficiency payment owed is the sum of the individual deficiency owed amounts for each fee amount previously erroneously paid as a small entity. Where a fee paid in error as a small entity was subject to a fee decrease between the time the fee was paid in error and the time the deficiency is paid in full, the deficiency owed is equal to the amount (previously) paid in error;

(ii) *Itemization of the deficiency payment.*

An itemization of the total deficiency payment is required. The itemization must include the following information:

(A) Each particular type of fee that was erroneously paid as a small entity, (e.g., basic statutory filing fee, two-month extension of time fee) along with the current fee amount for a non-small entity;

(B) The small entity fee actually paid, and when. This will permit the Office to differentiate, for example, between two one-month extension of time fees erroneously paid as a small entity but on different dates;

(C) The deficiency owed amount (for each fee erroneously paid); and

(D) The total deficiency payment owed, which is the sum or total of the individual deficiency owed amounts set forth in paragraph (c)(2)(ii)(C) of this section.

(3) *Failure to comply with requirements.* If the requirements of paragraphs (c)(1) and (c)(2) of this section are not complied with, such failure will either: be treated as an authorization for the Office to process the deficiency payment and charge the processing fee set forth in § 1.17(i), or result in a requirement for compliance within a one-month non-extendable time period under § 1.136(a) to avoid the return of the fee deficiency paper, at the option of the Office.

(d) *Payment of deficiency operates as notification of loss of status.* Any deficiency payment (based on a previous erroneous payment of a small entity fee) submitted under paragraph (c) of this section will be

treated under § 1.27(g)(2) as a notification of a loss of entitlement to small entity status.

[47 FR 40140, Sept. 10, 1982, added effective Oct. 1, 1982; para. (a), 49 FR 553, Jan. 4, 1984, effective Apr. 1, 1984; para. (d)(2), 57 FR 2021, Jan. 17, 1992, effective Mar. 16, 1992; para. (c) revised, 58 FR 54504, Oct. 22, 1993, effective Jan. 3, 1994; para. (a) revised, 60 FR 20195, Apr. 25, 1995, effective June 8, 1995; paras. (a) & (c) revised, 62 FR 53131, Oct. 10 1997, effective Dec. 1, 1997; revised, 65 FR 54604, Sept. 8, 2000, effective Nov. 7, 2000]

## Subpart B — National Processing Provisions

### PROSECUTION OF APPLICATION AND APPOINTMENT OF ATTORNEY OR AGENT

#### § 1.31 Applicants may be represented by a registered attorney or agent.

An applicant for patent may file and prosecute his or her own case, or he or she may be represented by a registered attorney, registered agent, or other individual authorized to practice before the United States Patent and Trademark Office in patent matters. *See* §§ 11.6 and 11.9 of this subchapter. The United States Patent and Trademark Office cannot aid in the selection of a registered attorney or agent.

[50 FR 5171, Feb. 6, 1985, effective Mar. 8, 1985; revised, 69 FR 29865, May 26, 2004, effective June 25, 2004; revised 69 FR 35427, June 24, 2004, effective July 26, 2004]

#### § 1.32 Power of attorney.

##### (a) Definitions.

(1) *Power of attorney* means a written document by which a principal designates a registered patent attorney or a registered patent agent to act on his or her behalf.

(2) *Principal* means either an applicant for patent (§ 1.41(b)) or an assignee of entire interest of the applicant. The principal executes a power of attorney designating one or more registered patent attorneys or registered patent agents to act on his or her behalf.

(3) *Revocation* means the cancellation by the principal of the authority previously given to a registered patent attorney or registered patent agent to act on his or her behalf.

(4) *Customer Number* means a number that may be used to:

(i) Designate the correspondence address of a patent application or patent such that the correspondence address for the patent application or patent would be the address associated with the Customer Number;

(ii) Designate the fee address (§ 1.363) of a patent such that the fee address for the patent would be the address associated with the Customer Number; and

(iii) Submit a list of practitioners such that those registered patent practitioners associated with the Customer Number would have power of attorney.

##### (b) A power of attorney must:

(1) Be in writing;

(2) Name one or more representatives in compliance with (c) of this section;

(3) Give the representative power to act on behalf of the principal; and

(4) Be signed by the applicant for patent (§ 1.41(b)) or the assignee of the entire interest of the applicant.

(c) A power of attorney may only name as representative:

(1) One or more joint inventors (§ 1.45);

(2) Those registered patent practitioners associated with a Customer Number;

(3) Ten or fewer registered patent attorneys or registered patent agents (see § 10.6 of this subchapter) (patent practitioners). Except as provided in paragraph (c)(1) or (c)(2) of this section, the Office will not recognize more than ten patent practitioners as being of record in an application or patent. If a power of attorney names more than ten patent practitioners, such power of attorney must be accompanied by a separate paper indicating which ten patent practitioners named in the power of attorney are to be recognized by the Office as being of record in application or patent to which the power of attorney is directed.

[Added, 69 FR 29865, May 26, 2004, effective June 25, 2004]